

ACP

AMERICAN COLLEGE OF PHYSICIANS
INTERNAL MEDICINE | Doctors for Adults

June 13, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways & Means
United States House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

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Dear Chairman Thomas:

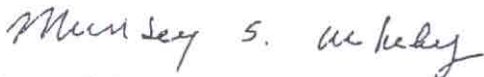
The American College of Physicians (ACP) understands that the chairman's mark for the Medicare reform bill to be marked up by the Energy and Commerce and Ways and Means committees will include a provision to provide a temporary reprieve from further reductions in Medicare payments to physicians. As we understand it, the bill will set the update at no less than 1.5% in calendar years 2004 and 2005. It will also require that a ten-year rolling average of changes in per capita GDP be used to calculate the sustainable growth rate (SGR), beginning in calendar year 2006.

The College commends you for taking action to provide a reprieve from continued Medicare payment cuts to doctors. Your proposal recognizes that Congress has a responsibility to stop continued cuts in Medicare payments that are making it more difficult for physicians to provide their patients with the care that they need. The positive updates in 2004 and 2005 will help prevent a further decline in the precarious economic circumstances faced by physicians, including doctors of internal medicine, who take care of large numbers of Medicare patients. As you know, the ten-year rolling GDP revision will help reduce some of the volatility in the annual payment updates, but will not by itself fix the fundamental flaws with the SGR formula.

We believe that your proposal will help stabilize the situation, while providing more time for Congress to work with the medical community to design an approach that will fix the fundamental flaws in the SGR formula. A permanent solution should provide updates that better reflect increases in the costs of providing services, allow for increased utilization of services due to new and beneficial services being added to Medicare, increase predictability and reduce wide swings in the annual amount of the updates.

We strongly support your efforts to enact a two-year reprieve from continued cuts in Medicare payments, and look forward to working with you develop a permanent solution that meets the above objectives.

Sincerely,



Munsey S. Wheby, MD, FACP
President